

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re

ALGITS INCORPORATED

Debtor.

Case No. 21-13888-DER

(Chapter 11 – Subchapter V)

**SUBCHAPTER V TRUSTEE’S SUPPLEMENT TO DEBTOR’S NOVEMBER 2021 AND
DECEMBER 2021 MONTHLY OPERATING REPORTS**

Angela L. Shortall, the Subchapter V Trustee in the above referenced matter files this line stating:

1. On December 20, 2021, the Debtor filed its November 2021 Monthly Operating Report (“November MOR”). [Docket No. 141]
2. The November MOR reflects the following:
 - a. Receipts of \$301 and Disbursements of \$351 for the period.
 - b. Ending cash balance of \$255,162.
3. On January 2, 2022, the Debtor filed its December 2021 Monthly Operating Report (“December MOR”). [Docket No. 144]
4. The December MOR reflects the following:
 - a. Receipts of \$0 and Disbursements of \$32 for a wire transfer fee.
 - b. Ending cash balance of \$255,130.
5. The December MOR includes a printout for the last open bank account at Howard Bank reflecting a pending transfer of \$79,805.40 (to the Subchapter V Trustee) and the fact that the reported \$32 wire transfer fee had not yet been deducted from the account, leaving funds available of \$33.00.

6. Early in the Debtor's bankruptcy, \$205,000 was transferred to the custody of the secured lender, Eagle Bank. While those funds have remained at Eagle Bank, the Debtor's access to those statements was inconsistent, as was the inclusion of those statements in the monthly operating reports.
7. In addition, there remains \$22.91 in a checking account at Eagle Bank, statements for which were not included in the filed November and December MORs.
8. On October 5, 2021, this Court entered orders authorizing the sale of substantially all of the Debtor's assets, the retroactive employment of the auctioneer, Ramsey and Associates ("Ramsey"), and commission to Ramsey of 15% of the gross auction proceeds. [Docket Nos. 97 & 98]
9. In November 2021, consistent with these Orders, Ramsey paid over to the Subchapter V Trustee the auction proceeds less the allowed commission. Gross proceeds of the auction were \$82,305.00. The commission retained by Ramsey was \$12,345.75.
10. Including the receipts and disbursements reported on the November MOR, total Receipts of the Debtor for the period November 2021 would be more properly reported as \$82,606.00 and total disbursements as \$12,696.75.
11. In December of 2021, after consultation with the Subchapter V Trustee and the primary creditors, the Debtor agreed to transfer all remaining funds in the debtor-in-possession accounts to accounts maintained by Subchapter V Trustee.
12. Attached hereto are November and December 2021 bank statements for the funds held in the Subchapter V Trustee account (Exhibit A) as well as statements for Eagle Bank accounts (Exhibits B & C).

13. Aggregating this information, ending cash balances for November 2021 are:

| | |
|-------------------------|---------------------|
| Howard Bank xx4890 | \$79,837.40 |
| Metropolitan Commercial | 61,648.80 |
| Eagle Bank xx0599 | 205,000.00 |
| Eagle Bank xx2310 | 22.91 |
| | <u>\$346,509.11</u> |

14. Aggregating this information, ending cash balances for December 2021 are:

| | |
|-------------------------|---------------------|
| Howard Bank xx4890 | \$33.00 |
| Metropolitan Commercial | 141,451.20 |
| Eagle Bank xx0599 | 205,000.00 |
| Eagle Bank xx2310 | 22.91 |
| | <u>\$346,510.11</u> |

Dated: February 2, 2022

/S/ Angela L. Shortall
 Angela L. Shortall
 Subchapter V Trustee
 111 S. Calvert St., Suite 1400
 Baltimore, MD 21202
 (410) 783-6385
ashortall@3cubed-as.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 2, 2022, a copy of the foregoing Line was served via the CM/ECF upon:

- Hugh M. (UST) Bernstein hugh.m.bernstein@usdoj.gov
- William J Chen william.chen@maryland.gov
- Robert L. Kline klinelawgroupllc@gmail.com
- Craig Palik cpalik@mhlawyers.com,
dmoorehead@mhlawyers.com;cpalik@ecf.inforuptcy.com;Palik.CraigR92003@notify.be
stcase.com;hleaphart@mhlawyers.com;mtaylor@mhlawyers.com
- Kristen B. Perry kperry@howardcountymd.gov
- Daniel J. Pesachowitz dpesacho@siwpc.com,
rjones@siwpc.com;bkreferrals@siwpc.com;siwbkecf@siwpc.com;siwpc@ecf.courtdrive.
com;siwattecf@siwpc.com
- Joseph Michael Selba JSelba@tydingslaw.com, jselba@tydings.com
- Angela L. Shortall ashortall@3cubed-as.com, md70@ecfcbis.com
- Adam M. Spence adam@spencefirm.com
- US Trustee - Baltimore USTPRegion04.BA.ECF@USDOJ.GOV
- Christopher S. Young cyoung@btlg.us,
sphillips@btlg.us;hconnolly@btlg.us;edonohue@btlg.us;hyeung@btlg.us;klohmeyer@bt
lg.us

/S/ Angela L. Shortall
Angela L. Shortall